

RED CAPITAL MARKETS, LLC

Statement of Operations

Year ended March 31, 2016

Revenues:

Net trading gains	\$ 1,532,431
Interest income	873,579
Remarketing agent fees	663,297
Underwriting fees, net	811,761
Advisory fees, net	186,905
Other income, net (note 8)	637,047
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Total revenues	4,705,020

Expenses:

Salaries, incentive compensation and employee benefits	3,665,037
Occupancy	56,453
Interest expense	159,207
Travel and entertainment	108,525
Furniture, equipment and software expense	114,360
Third party service fees	75,552
Intangible asset amortization	486,817
General and administrative	746,046
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Total expenses	5,411,998
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Net loss	(706,977)

Other Comprehensive Income (Loss):

Unrealized holding loss on investments	(84,544)
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Total comprehensive loss	\$ (791,520)

See accompanying notes to financial statements.